

## **Capital Budget**

In FY 2002 and 2003, DFAS will continue its efforts to exercise a system modernization and improvement strategy with fewer resources and in accordance with the Defense Financial Management Modernization program guidelines. Our capital investment program will decline from \$211.5 million in FY 2001 to \$143.5 million in FY 2003, a total of \$68.0 million or 32 per cent.

The strategy replaces existing automated systems with a standard suite of integrated, efficient systems. System development and deployments have been reviewed to ensure consistency with known requirements of the future DoD financial management enterprise architecture. DFAS' efforts have so far reduced the number of systems from 324 in FY 1991 to 65 at the end of FY 2001.

As part of this effort, multiple disbursing, military pay, vendor pay systems are being replaced by single systems that support DoD-wide customers in each DFAS business line. Deployment of systems such as the Defense Procurement Payment System and the pay module of the Defense Integrated Military Human Resources System will reduce both system operating costs and personnel while implementing best business practices. Accounting systems are also being standardized and reduced to a core number necessary to support DoD-wide applications. System development and deployment will take place within a standard infrastructure that creates a shared, integrated operating environment. This environment is compliant and interoperable with the DoD Joint Technical Architecture and has the flexibility to mesh with the future DoD financial management enterprise architecture. Overall, this environment will give DFAS the capability to provide the Military Services and other customers with high quality financial information and business intelligence that is responsive to their decision-making needs and is compliant with Chief Financial Officer Act requirements.

The decline in costs is driven by several factors. Required resources decline as we move significantly closer to completion of the modernization and standardization of our finance and accounting systems. Costs further decrease as the Defense Joint Accounting System is placed in a maintenance mode. Finally, the capital program in FY 2003 also reflects changes in capital investment criteria mandated by the Federal Accounting Standards Board (FASB). The adoption of the FASB standards realigned selected system acquisition costs from the investment to the operations funding category. Overall, the DFAS investment program meets customer needs for management information while using fewer resources.

**Activity Capital Investment Summary**  
**Component: Defense Finance and Accounting Service**  
**Activity: Financial Operations**  
**Date: February 2002**  
**(\$ in Millions)**

Line Number	Item Description	FY 2001		FY 2002		FY 2003	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	<b>Equipment &gt;\$100,000 placement</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>
	- Productivity						
	- New Mission						
	- Environmental						
	<b>ADPE &amp; Telecommunications Equipment</b>		<b>14.9</b>		<b>8.3</b>		<b>8.4</b>
	- Computer Hardware		<b>5.6</b>		<b>3.7</b>		<b>1.3</b>
	- Computer Software						
	- Telecommunications		<b>9.3</b>		<b>4.6</b>		<b>7.1</b>
	- Other						
	<b>Software Development</b>		<b>194.0</b>		<b>177.4</b>		<b>133.5</b>
	Internally Developed		<b>97.5</b>		<b>87.7</b>		<b>77.6</b>
	Externally Developed		<b>96.5</b>		<b>89.7</b>		<b>55.9</b>
	<b>Minor Construction</b>		<b>0.0</b>		<b>2.1</b>		<b>0.8</b>
	<b>TOTAL</b>		<b>208.9</b>		<b>187.8</b>		<b>142.7</b>

**Exhibit Fund-9a DWCF Activity Capital Investment Summary**

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

B. Component/ Activity/ Date:  
Defense Finance and Accounting Service  
February 2002

C. Line No. & Item Description:  
Automated Data Processing Equipment (ADPE) > \$100,000

D. Activity Identification  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			14,909			8,295			8,360			

**Narrative Justification:**

The FY 2002 and FY 2003 ADPE program Financial Operations business area will support selected areas such as the continued implementation of the Electronic Data Management initiative, that streamlines and standardizes business practices, and a standard testing platform for the Defense Corporate Database, that allows standard testing and the reuse of test information across system applications. Additionally, funding will support ELAN equipment such as mid-tier servers, routers, and transmission modules that require technical refreshment or replacement.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Minor Construction < \$500,000

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			0			2,128			804			

**Narrative Justification:**

Funds budgeted in FY 2002 and FY 2003 are to support several needed minor construction projects at the Denver and Orlando sites. Funding will support such items as installation of new fire hydrants and repairing of elevators to meet safety requirements.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
**Automated Time Attendance and  
Production System (ATAAPS)**

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			700			1,764			2,120			

**Narrative Justification:**

The Automated Time Attendance and Production System (ATAAPS) provides an automated, single-source input for reporting and collecting time and attendance (T&A) and labor and production (L&P) data and for passing that information to interfacing payroll and accounting systems. The funds for ATAAPS will be used to begin transition of Mainframe ATAAPS (legacy system) to Graphical Use Interface (GUI) ATAAPS, with associated software changes. Funding will also support enhancement/standardize of overseas payroll systems.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2003 Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2002			C. <u>Line No. &amp; Item Description:</u> Software Dev/Mod – Columbus Center Working Capital Fund (CO-WCF) / Business Management Redesign (BMR) Application				D. <u>Activity Identification</u> DFAS Sites					
Element of Cost	FY 01			FY 02			FY03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			7,294			2,733			2,490			
<b>Narrative Justification:</b> BMR has been designated to replace the DFAS portion of the Defense Business Management System (DBMS) and several internal management information systems, which provide labor tracking, performance measurement and unit cost data reports. BMR will be an accounting and financial management information system supporting DFAS. The target implementation date for the first phase is mid-FY 2002. Benefits include compliance with the requirements for auditable financial statements, accurate and timely data for customers, sound internal controls and improved and streamlined data processing. After full deployment is accomplished for DFAS, the system may be deployed to other customers such as Defense Commissary Agency and Air Force/Navy wholesale supply management. FY 2002 and FY 2003 funding will support application development, testing and full technical deployment of the system to DFAS.												

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2003 Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2002				D. <u>Line No. &amp; Item Description:</u> Software Dev/Mod – Defense Cash Accountability System (DCAS)			D. <u>Activity Identification</u> DFAS Sites					
Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			4,643			8,800			7,713			
<p><b>Narrative Justification:</b></p> <p>DCAS is the migration system selected by the Defense Finance and Accounting Service (DFAS) to be the single cash accountability system for the Department of Defense (DoD). DCAS will meet the need to re-engineer and consolidate multiple disparate systems into a single DoD cash accountability and reporting process supporting all DoD components, as well as external stakeholders. Cash accountability is the reporting of disbursements, reimbursements, deposits and receipts to the United States Treasury, as well as all other transactions which would impact the status of funds.</p> <p>FY 2002 capital funds will support implementation of DCAS Phase 2, which includes the Treasury Reporting function for the DFAS Cleveland and DFAS Kansas City network. This includes costs for finalizing design and development, testing and deployment, Interoperability and Operational Testing, FFMR assessment, LCM documentation. DCAS Phase 2 will eliminate the Centralized Expenditure and Reporting System (CERPS), the Universal Download (UDL), the Industrial Fund Centralized Disbursement Reimbursement System (IFCDRS) and the Daily Universal Net Expenditure System (DUNES).</p> <p>FY 2003 funds will support implementation of DCAS Phase 3, which includes a standard reconciliation function treasury and accounting system expenditure data, elimination of Financial Reporting System (FRS) and requirements analysis for the Treasury Reporting function in the DFAS Denver and the Indianapolis networks. DCAS Phase 3 implementation the standard cash reconciliation will</p>												

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod -- Defense Civilian Pay System (DCPS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			7,676			7,300			8,143			

**Narrative Justification:**

DCPS is a civilian pay and leave accounting, data collection, processing, and reporting system improving productivity, reducing support costs, and satisfying customer requirements by standardizing Department of Defense (DoD) civilian pay functions. The system maintains pay and leave entitlement records, deductions and withholdings, time and attendance data, and pertinent employee employment status. DCPS interfaces with the Defense Civilian Personnel Data System (DCPDS) and a variety of Source Data Automation time and attendance systems, as well as local accounting systems. DCPS interfaces with a total of 19 time and attendance systems, 26 standard accounting systems, and a variety of DoD and federal systems (e.g., Federal Reserve, Thrift Savings Board, etc.). DCPS implementation allowed the DoD to close over 350 payroll offices and eliminate 26 legacy payroll systems.

Examples of system changes currently planned for FY 2002 include: changes required to automate the debt collection process in the payroll offices; EFT capability for various Federal payments; FEHB, Military Leave, and Telecommuting changes in response to new legislation/policies. Additional changes will support necessary planned and new legislation and policies, as well as changes requested by the Military Services and payroll offices to either add new system functionality and/or reduce manual efforts by the payroll offices and Customer Service Representatives.

Funding provided in FY 2003 will be used to respond to new legislation and other mandatory and policy updates as well as to make customer and user requested enhancements to the system designed to improve both customer and payroll office efficiencies. Currently planned for FY 2003 are changes required to eliminate the use of Pseudo SSNs within DoD and electronic certification of time and attendance.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - DFAS Corporate Database (DCD)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			16,682			17,710			9,421			

**Narrative Justification:**

DCD is a major component of the DFAS strategy to evolve to standard finance and accounting systems and processes. It will incrementally integrate DFAS systems initiatives while minimizing change to legacy applications and other initiatives. It also provides a target for migratory systems to build to and eliminates many of the hurdles that would otherwise be required for the achievement of the full benefits associated with major standardization initiatives such as: the Defense Procurement Payment System (DPPS), the Defense Standard Disbursing System (DSDS), the Defense Cash Accountability System (DCAS), and the Defense Departmental Reporting System (DDRS). By integrating the entitlement, disbursing, and accounting data to provide a standard source of shared data that our systems can access, the DCD will facilitate the elimination of such problems as Unmatched Disbursements, Negative Unliquidated Obligations, and the time delays associated with pre-validation.

Capital funding in FY 2002 and 2003 will be used to build interfaces to appropriate legacy and migratory systems. Funds will also be used to support DoD Cross-Service initiatives (i.e., DIMHRS, TRANSCOM, WHS, and SOCOM) and other activities that facilitate the expansion of DoD capabilities and new DFAS Corporate Information Infrastructure (DCII) releases.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**D. Line No. & Item Description:**  
Software Dev/Mod - DFAS Corporate Warehouse (DCW)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			4,301			7,211			3,992			

**Narrative Justification:**

The DFAS Corporate Warehouse (DCW) is a business area-oriented, consolidated, historical collection of shared data designed to support management analysis and decision-making for DFAS and DFAS customers. The DCW also provides a new and flexible source of standard reports and queries. The DCW will extract validated historical data from the operational data store, transform the data, and store the data in a multidimensional database. The data is then available for data evaluation, trend analyses, decision-making, and audits. The DCW will provide fast access to the data needed for analysis without degrading the performance of the operational database (DCD).

FY 2002 and 2003 Capital funding will provide funding for the continued development of: (1) the DCW in support of the DFAS Corporate Database (DCD), and (2) end-user functionality requirements such as data queries, reports, and management information.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Defense Departmental Reporting  
System (DDRS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			5,821			4,981			1,706			

**Narrative Justification:**

DDRS will standardize the departmental reporting process for all DOD Fund Types. This modern system will be used to produce the DOD Audited Financial Statements (AFS) and budgetary reports from a single database, provide data query and report generation tools, eliminate the need for manual reconciliation, and operate within the DFAS Corporate Information Infrastructure environment. DDRS will eliminate eight (8) legacy departmental reporting systems, two (2) major command reporting systems and one (1) headquarters system.

FY 2002 and 2003 capital funds will be used to accomplish the following. Update DDRS AFS to meet the FY2002 Mid-Year and Annual and FY 2003 quarterly Chief Financial Officer (CFO) and FACTS 1 reporting requirements; Change the DDRS technical architecture from Client/Server to Web Enabled and deploy DOD wide; Incorporate XML capabilities for the FACTS 1 submission to Treasury; Develop and deploy a data collection module within DDRS-AFS; Complete development of DDRS Budgetary; implement DDRS Budgetary at DFAS Cleveland, Kansas City, Denver sites for all Fund Types and DFAS Indianapolis and Columbus sites for General Funds.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**

Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**

Software Dev/Mod - Deployable Disbursing System (DDS) /  
Uniform Microcomputer Disbursing System (UMIDS)

**D. Activity Identification**

DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			3,373			5,400			2,600			

**Narrative Justification:**

The Deployable Disbursing System (DDS) / Uniform Microcomputer Disbursing System (UMIDS) is a mobile disbursement system that can be used in CONUS and/or overseas environments. It is being developed so that it can operate in the DFAS corporate environment. DDS is required since the Defense Standard Disbursing System is not currently scheduled to have a deployable module. FY 2002: Funding supports the delivery of DDS/UMIDS to the Army. Funding is for technical support to the project, which includes developmental costs, and contractor support. FY 2003: Funding supports the refinement of DDS/UMIDS modifications to include interfacing with other migratory systems and new functionality required by legislative and regulatory changes.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Defense Industrial Financial  
Management System (DIFMS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			15,250			12,433			5,298			

**Narrative Justification:**

DIFMS is a major cornerstone in DFAS's effort to standardize accounting systems. DIFMS will be deployed to replace the legacy systems currently in operation at the Navy, Marine Corps and Air Force Depot Maintenance and at the Navy Research and Development (R&D) business activities. When fully deployed, DIFMS will support Naval Aviation Depots, Naval Shipyards, Marine Corps Logistics Bases, Air Force Logistics Centers, and Navy R&D activities. DIFMS provides a fully integrated financial system including a transaction driven general ledger. DIFMS consists of 13 subsystems: cash, labor, other cost, material, cost summary, job order/customer order, billing, general ledger, purge/history, fixed asset, system parameters, budget tracking and cost competition. The system interfaces directly with standard DoD systems, such as the Defense Civilian Payroll System, and will provide reconciliation for interfacing feeder, travel, and expenditure processing and reporting systems. DIFMS is Chief Financial Officer Act (CFO) and Federal Managers Financial Integrity Act (FMFIA) compliant.

FY 2002 and 2003 funds will support the system deployments to the remaining three Navy R&D activities, three Air Force Logistics Centers and the final testing and deployment of the Technical Refresh (TR) of the application software to the existing production activities.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2003 Budget Estimates					
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2002			C. Line No. & Item Description: Defense Integrated Finance System - Reengineered (DIFS-R)				D. Activity Identification DFAS Sites					
Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			400			3,073			1,594			
<p><b>Narrative Justification:</b></p> <p>FY02: Funding is required for development of interfaces and related system changes to DFAS Accounting Systems to support the Defense Security Cooperation Agency's (DSCA) Defense Security Assistance Management System (DSAMS), Release 8, for Security Assistance Training requirements. Current interfaces with ASATMS-SAAMSS (for Army) STATIS (for Navy), and TRACS-TFS (for Air Force) will be discontinued, and accounting interfaces of 2.5 million transactions annually will be with DSAMS. These changes are to support system development agreements with DSCA and their testing and deployment schedules. Funding these requirements will prevent DSCA rework of their effort to date and rewrite of the interfaces when DFAS eventually moves to a new accounting system. It could also impact DCSA deployment schedules. DSAMS testing is scheduled to begin late 2002, with implementation beginning in FY 2003 (incrementally July, September, and December 2003). DFAS must develop interfaces and associated system changes between DSAMS and DFAS accounting systems to provide accounting for each military department for the Security Assistance (SA) mission to train foreign and domestic customers of SA products and services.</p> <p>FY03: Funding is required for changes to DFAS accounting systems to interface with Defense Security Cooperation Agency's (DSCA) Training module of the Defense Security Assistance Management System (DSAMS). DSAMS testing is scheduled to begin late 2002, with implementation beginning in FY 2003 (incrementally July, September, December 2003). DFAS must develop interfaces and associated system changes between DSAMS and DFAS accounting systems to provide accounting for each military department for the Security Assistance (SA) mission to train foreign and domestic customers of SA products and services.</p>												

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Defense Integrated Military Human Resources System  
(DIMHRS) Pay Module

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			10,736			17,317			15,006			

**Narrative Justification:**

The DIMHRS Pay Module (DPM) is the payment functionality and operations of the overall DIMHRS (Personnel and Payment) Program.

For FY 2002: The DIMHRS (Personnel/Payment) JPM is seeking OSD C3I approval for a change in Migration Strategy that would deploy an integrated Personnel/Payment system to the Army, beginning in February 2004. The DIMHRS Pay Module will be included as part of the first useful asset to be delivered. Milestone B approval of the DIMHRS (Personnel/Payment) Program is scheduled for July 2002. A Comprehensive Analysis of PeopleSoft applicability to military personnel and pay requirements will be completed. Business Process Re-engineering will be conducted concurrently to maximize PeopleSoft fit to military requirements. The DIMHRS (Personnel/Payment) Joint Program Management Office (JPMO) will award a developer/implementor (D/I) contract. Data clean-up activities and data mapping to the COTS database will be initiated. Conversion software will be developed and tested to extract records from DJMS, in preparation for loading to the DIMHRS COTS data structures. Defense Military Pay Office (DMO) deployment to Army and Air Force will be continued and development has been initiated for deployment to Navy. DMO provides a complete Graphical Uses Interface-based custom interface for transaction input and editing, user inquiry, and reporting.

The FY 2003 capital funding will complete development requirements and conduct testing for initial deployment. The funding will also complete final interfaces to the DFAS Corporate Database and DFAS Operating Infrastructure along with connectivity and data requirements for the DIMHRS consolidated data store.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Defense Joint Accounting System  
(DJAS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			18,984			3,825			4,905			

**Narrative Justification:**

DJAS prototypes have been deployed at the Missile Defense Agency and Fort Benning. The DFAS initiative has been placed in a maintenance status with all deployments previously scheduled for FY 2002/2003 being suspended pending the outcome of the DOD Enterprise Architecture study. Funding in FY 2002 and FY 2003 will be used to support the current customer base.

DJAS capabilities include funds control, general ledger, accounts receivable, accounts payable, financial reports, cost management and core financial systems management for general funds at installation level. DJAS provide customers with a state-of-the-art, relational database system which provides easy access to on-line, real-time financial information, an automated information system that will bring financial data for general funds under general ledger control and comply with GAO and OMB mandates, support the single-source entry of data, accommodate standard data, and use the U.S. Standard General Ledger, and the capability to comply with the Government Performance and Results Act (GPRA), the Paperwork Reduction Act (PRA), and the Financial Manager's Financial Integrity Act. (FFMIA).

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**D. Line No. & Item Description:**  
Defense Joint Military Pay System - (DJMS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
DJMS-AC			13,837			9,589			11,094			
DJMS-RC			7,911			4,789			5,667			
<b>Total</b>			<b>21,748</b>			<b>14,378</b>			<b>16,761</b>			

**Narrative Justification:**

Defense Joint Military Pay System (DJMS)—Active Component (DJMS-AC) and Reserve Component (DJMS-RC)—are interim systems. The Army, Navy, and Air Force military pay systems for Active Duty and US Military Academies were converted to DJMS-AC. The Army, Navy, and Air Force Reserves, National Guard, Officer Training Corps, and Armed Forces Health Professional Scholarship Program Pay Systems were converted to DJMS-RC. The last segment, Navy Reserves, was converted in July 1999. Existing input systems were used for the initial collection of military pay transactions and formatting data to meet DJMS requirements in FY 1999.

In the FY 2001 President's Budget, DJMS was projected to go into a maintenance mode based upon the implementation of the DIMHRS in the FY 2004-2006 timeframe. DFAS and the Services reviewed this posture in July 2000. The numerous manual workarounds required to supplement pending system changes have resulted in Service priorities and mandatory legislative requirements being delayed. The DFAS/Services consensus is that DJMS must go into an enhancement mode in FY 2001-2003 pending DIMHRS deployment with the Services' recognition that additional funding by them is required. The enhancement mode has two parts. One is the continued documentation of DJMS. Total system documentation will improve DFAS' ability to correct system problems, improve timeliness and accuracy and is transferable to DIMHRS requirements definition. The second part is the acceleration of systems changes in such entitlement areas as allowance for housing, clothing, overseas extension duty bonus, pay and allowance indebtedness, military thrift savings and special duty assignments. Associated with the acceleration is an increase in system integration testing and configuration management support efforts.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Defense Procurement Payment System  
(DPPS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			17,197			12,827			5,343			

**Narrative Justification:**

The purpose of the DPPS initiative is to re-engineer and standardize contract and vendor entitlement business processes. Currently, contract and vendor payments are accomplished by multiple systems. Some are incapable of communicating between the entitlement function and other interfacing systems such as accounting and disbursing. DPPS will integrate the contract and vendor entitlement business areas into a standard on-line processing environment using common data. The need for DPPS is critical and consistent with the goals of the DFAS Strategic Business Plan and the Chief Financial Officer's five-year Plan. Both plans include improvements in system capabilities and business processes for finance and accounting activities. These improvements can be accomplished through greater efficiencies in service, technological innovation, and communication enhancement. The DPPS Program Management Office will use an incremental deployment strategy.

In FY 2002, DPPS funding supports an operational demonstration of Vendor Pay at the Columbus site. In FY 2003, DPPS funding supports completion of development, integrated testing, as well as preparation for operational testing and initial deployment of Contract Pay (MOCAS) at the Columbus site.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Defense Retiree and Annuitant Pay  
System (DRAS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			2,423			1,524			2,344			

**Narrative Justification:**

DRAS is the standard, consolidated system for paying all Army, Navy, Marine Corps, and Air Force military retirees, annuitants and former spouses. DRAS establishes, maintains, and adjudicates pay accounts. It interfaces with each Service's military personnel center, the Social Security Administration, the Department of Veterans Affairs, the Defense Manpower Data Center (DMDC), and the Department of Treasury.

In support of its mission, further capital investments will be made to: integrate allotment processing with DRAS, improve the interfaces with each Service's military personnel center, modify the system to accommodate Employee/Member Self Service (E/MSS) capabilities, revise the interface with DMDC, enhance Survivor Benefit Plan (SBP) processing, remove mandatory Direct Deposit (DDS) processing, establish the capability to handle severely Disabled Compensation Program payments, and comply with various legislative changes, such as Defense Authorization acts, veterans compensation (VA) acts, and income tax reforms.

FY 2002-2003 capital funding will be used to process mandatory adjustments to comply with customer/legislative requirements. Funds will provide International Direct Deposit (IDDS), enhance casualty pay processing, modify former spouse and Survivor Benefit Plan processing changes required in the FY 2002 DOD Authorization Act, and improve internal controls to strengthen compliance with the Federal Managers Financial Integrity Act (FMFIA). System development, changes, and enhancements will be made by the new outsourcing contractor, ACS Government Services, at the direction of and with funding by the DFAS Continuing Government Activities (CGA) group.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Defense Standard Disbursing System  
(DSDS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			7,948			6,155			4,300			

**Narrative Justification:**

DSDS will be the standard disbursing system used DFAS-wide to make payments, accept collections, and maintain accountability for public funds. The purpose of the DSDS is to increase the efficiency and effectiveness of disbursing operations, thus reducing costs. Currently, there are three major disbursing systems supporting DFAS. Additionally, there are 26 entitlement systems that perform some disbursing functions. The Disbursing Officer (DO) accountability process is a combination of various system outputs and spreadsheets. The current disbursing systems do not create all of the DO accountability reports. DSDS will resolve these manual operations and standardize the business process throughout the Department. It will interface with multiple entitlement and accounting systems through the DFAS Corporate Database (DCD). DSDS will replace the Automated Disbursing System (ADS), Consolidated Disbursing System (CDS), and Standard Financial System (STANFINS) Redesign-1.

FY 2002 funds will be used to test DSDS, train users and prepare for deployment of the system. Testing will ensure that all System Security Accreditation Authorization (SSAA) requirements are met and approved. Additionally, integrated and enterprise testing will focus on testing DSDS as an interface with the DCD. During this period, the DFAS network personnel will be trained prior to implementation of the DSDS deployment plan and the fielding of DSDS, scheduled for first quarter FY 2003.

FY 2003 funds will support deployments of DSDS and expanded functionality requirements to support new initiatives such as DIMHRS.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Defense Working Capital Accounting  
System (DWAS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			5,000			5,810			6,602			

**Narrative Justification:**

The DWAS is the migratory system selected to replace the Defense Automated Printing Service's (DAPS) Printing Resources Management Information System (PRIMIS), the Naval Facilities Engineering Command's (NAVFAC) Public Works Center Management Information System (PWCNIS), and the Naval Facilities Engineering Service Center's (NFESC) Financial Management Information System (FINMIS). The DAPS and NFESC deployments have been completed. The DWAS implementation will eliminate nine local unique versions of the Public Works Center Management Information System (PWCNIS), a non-compliant Printing Resources Management Information System (PRMIS), and a non-compliant Financial Management Information System (FINMIS). FY 2002-2003 capital funding is critical to continue DWAS deployments to the remaining six PWC sites within the NAVY/DFAS compressed deployment timelines jointly agreed to by both parties in May 2001. Included in this budget projection is funding for increased management controls and for increased customer support during deployments. Also included is increased funding to support concurrent actions at multiple site locations such as GAP/FIT analysis/resolution and database training. The Navy agreed that the short-term funding increases are an economically sound investment based on the potential cost savings associated with legacy system shutdowns and the benefits of achieving a fully compliant status for the Navy's public works business area.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - **Electronic**  
Commerce/**Electronic Data**

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			2,504			0			131			

**Narrative Justification:**

As part of the President's Electronic Commerce initiative, and in cooperation with the Chief Financial Officers Electronic Commerce Task Force, and the Financial Implementation Team for Electronic Commerce, DFAS is assisting with wide-spread adoption and implementation of electronic commerce concepts for financial operations across DoD. To support an overall agency vision that identifies opportunities, streamlines program development, and enhances and standardizes the approach and requirements of EC/EDI development, DFAS established an Electronic Commerce Office. DFAS is responsible for implementing EC/EDI within the Department of Defense accounting and finance systems. EC/EDI transactions have been developed and implemented in Contract Obligations, Contract Commitments, Contractor Invoices, Defense Travel, the Purchase Card Program, Garnishments, Grants/Research, Prevalidation, and EC Web initiatives.

FY 2002 requirements were identified but deferred pending further refinement. FY 2003 capital funds will continue to promote the use and expansion of EC/EDI and electronic payments in DoD finance and accounting systems. Funds will support development of ANSI X12 EDI financial transactions, system changes, continued development of WEB-enabled systems and system documentation.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**D. Line No. & Item Description:**  
Software Dev/Mod - Electronic Document Management  
(EDM)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			1,335			425			435			

**Narrative Justification:**

The EDM Program is a comprehensive business process improvement initiative facilitating consolidation of DoD finance and accounting functions, thereby reducing operating costs. The EDM system is intended to reduce dependence on paper through conversion of data to an electronic format that can be accessed from a desktop workstation. EDM is currently in production and has received Milestone III approval for all increments. EDM provides users with on-line access to financial documents and information; advances the application of new methods and technologies; improves the delivery of customer services; and ensures the consistent implementation of business practices throughout DoD. Imaging, electronic document management/access, work flow, and high-capacity storage technologies are to be employed in a variety of business areas.

FY 2002 and FY 2003 funds support Release 5 continued programming for Oracle upgrade for Vendor Pay, DPSS integration, and further expansion of the EDM system to DFAS San Antonio, Limestone, Kansas City, and Orlando field sites. Centralized scanning will be evaluated in FY 2002.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2003 Budget Estimates					
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2002			D. Line No. & Item Description: Software Dev/Mod – Employee/Member Self Service (E/MSS)				D. Activity Identification DFAS Sites					
Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			634			1,716			2,050			
<b>Narrative Justification:</b> E/MSS is a self-service capability that reduces the number of routine telephone and paper account change requests processed by DoD personnel. The system allows DFAS to cost and accommodate cost and personnel reductions without degrading customer service by giving civilian, active duty, retired, and reserve DoD customers the ability to review and make changes to their accounts. The FY 2002/2003 requirements support new transaction capabilities and enhancement of the delivery of on-line products to the customer population, including: The Smart Leave and Earning Statements (LES), Master PIN database benchmarking initiatives, Thrift Savings Plan (TSP), pay allotments, Savings Bonds, the on-line display of pay statements for retirees and annuitants, and the display of income tax statements. The system delivers LES electronically and reduces costs associated with the printing and mailing of hardcopy LES statements. It also makes available Travel Advice of Payment electronically, offering the additional opportunity to save on printing and postage costs.												

<b>ACTIVITY CAPITAL INVESTMENT JUSTIFICATION</b> (\$ In Thousands)							<b>A. FY 2003 Budget Estimates</b>					
<b>B. Component/ Activity/ Date:</b> Defense Finance and Accounting Service February 2002			<b>C. Line No. &amp; Item Description:</b> Software Dev/Mod - General Accounting and Finance System-Reengineered (GAFS-R)				<b>D. Activity Identification</b> DFAS Sites					
Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			6,100			8,362			1,500			
<b>Narrative Justification:</b> The General Accounting and Finance System – Rehost (GAFS-R) will be a phased enhancement to the General Accounting and Finance System – Base Level (GAFS-BL). Phase 1A is the creation of a global functional data mart; phase 1B is the development of Command and Departmental functionality which will replace the CFO Reporting System (CRS), Status of Funds (SOF) and Command On-line Accounting and Reporting System (COARS). Phase 1C provides a Management Information capability that will provide traceability and audibility that will replace a current costly Management Information System (MIS). Phase 2 will implement a COTS Accounts Receivable module for the Air Force. Phase 3 eliminates the Central Procurement Accounting System by merging it into the General Accounting and Finance System – Base Level. GAFS-R is being implemented to meet user, Department of Defense, and Air Force requirements consistent with accounting and financial policy, regulatory and statutory requirements, such as the Federal Managers Financial Integrity Act (FMFIA) and the Chief Financial Officers (CFO) Act. GAFS-Rehost will provide Trial Balances to DDRS for production of the financial reports.												

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Garnishment System

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			627			475			600			

**Narrative Justification:**

The Garnishment System (GS) integrates with the various pay systems that affect garnishment actions and automates, to the fullest extent possible, the various garnishment processes. GS also interfaces with the Electronic Document Management System and the Payroll Locator File System, and provides an expert system process for the legal review of cases.

Funding in FY 2002 and FY 2003 will continue to expand the type of court orders that can be received electronically via the Internet. Efforts will also focus on increasing current capabilities to post approved electronic garnishment transactions through GS to the appropriate pay system without manual intervention. These technology enhancements are an integral part of the redesigned Garnishment Operations. The GS assists DFAS in meeting its goals of on-time processing of all garnishment orders by automating the garnishment process into an efficient and timely process.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Marine Corps Total Force System  
(MCTFS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			6,713			5,312			4,270			

**Narrative Justification:**

MCTFS is an integrated pay and personnel system supporting Marine Corps personnel and management requirements. The MCTFS database maintains an electronic record for every active duty, reserve, and retired Marine. Marine active duty and reserve records contain both military pay and personnel data, thereby eliminating the need to store individual data in multiple databases for use by multiple systems. The military pay function supports computation and net pay to individual Marines along with distribution of military pay deductions. The MCTFS database includes a comprehensive history of pay entitlements, deductions, and payments for all active duty and reserve Marines. For retired Marines, the MCTFS database contains only personnel management data.

FY 2001 capital funds supported new legislative requirements such as Hardship Duty Location Pay, Family SGLI, PERSTEMPO, and Thrift Savings Plan. MCTFS continued to automate manual tasks required to support garrison and deployed forces to increase accuracy and reduce the direct labor required to support MCTFS. Project funding implemented TSP in the DFAS-HQ Employee/Member Self Service (EMSS) project.

FY 2002 capital funds will support completing 2 major system update releases implementing legislative requirements such as Enlisted BAS Reform, Long Term Health Care, and additional TSP requirements. MCTFS will continue to automate manual tasks required to support garrison and deployed forces to increase accuracy and decrease direct labor required to support MCTFS. Project funding will be required to improve the MCTFS interface with the Marine Corps Accounting System, to implement subsequent phases of the E/MSS projects, and the automation of the Privatized Housing process.

FY 2003 capital funds will support completing 2 major system update releases implementing legislative requirements such as Enlisted BAS Reform (BAS II), Long Term Health Care, and additional TSP requirements. MCTFS will continue to automate manual tasks required to support garrison and deployed forces to increase accuracy and decrease direct labor required to support MCTFS. Project funding will be required to improve the MCTFS interface with the accounting system and E/MSS projects.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Material Financial Control System  
(MFCS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			FY 04		
	Quantity	Unit Cost	Total Cost									
Total			2,150			1,260			1,202			

**Narrative Justification:**

The Material Financial Control System (MFCS) is a migratory Defense Working Capital Fund (DWCF) system for the Navy Supply Management Business Area. MFCS is a mixed system owned by the Naval Supply Systems Command (NAVSUP) and DFAS, who is the functional manager for accounting.

MFCS eliminates the following systems: 1) Uniform Automated Data Processing System Stock Point (UADPS) E & F (Retail), 2) Uniform Automated Data Processing System Level II (Retail), 3) Uniform Inventory Control Point – Application G03 (Wholesale) and 4) Special Accounting Class- 207 (Retail). MFCS performs funds control, accounts receivable, accounts payable, billing, expenditure processing, and inventory accounting (including in-transit tracking and reconciliation) for both DWCF and appropriated funds.

FY 2002 capital funding will support the continuing consolidation efforts of UADPS E&F into MFCS.

FY 2003 capital funding will support the remaining consolidation efforts of UADPS E&F into MFCS and provides changes due to customer and compliancy actions resulting from final migration system issues. It will also provide funding for integration with the DFAS Corporate Database (DCD) and the DFAS Corporate Information Infrastructures (DCII) environment.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Mechanization of Contract  
Administration Services (MOCAS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			2,000			1,200			1,300			

**Narrative Justification:**

MOCAS is a highly integrated system supporting the DoD procurement mission, specifically the "Contract Post Award Functions." These functions include: Contract Entitlement; Contract Administration; Quality Assurance; Production; Material Receiving; Prompt Pay and Cash Management; Disbursement; Financial Reporting; and Accounting and Procurement system interfaces. The MOCAS Entitlement process will be replaced by the Defense Procurement Payment System (DPPS). Until DPPS is fully operational, i.e., contains converted existing contracts and is fully integrated with the new non-MOCAS Disbursing and Financial Systems, MOCAS will remain the DoD contractor payment system. Only mandatory changes are being made because of its legacy status; however, they must be budgeted for and developed in order for MOCAS to be a fully operational and compliant system until it is totally replaced by the new DoD system. FY 2002: Changes will be made to the mid-tier systems to facilitate the reconciliation and closeout of contracts in accordance with Defense Reform Initiative Directive (DRID 53) during the transition to DPPS and the brown-out of MOCAS. Additionally, this includes changes to sustain on-going operations and to comply with audit findings and legislative/regulatory requirements. FY2003: a) Midtier enhancements to the Case Reconciliation System (CRS) to increase the automation of the reconciliation processes in support of the contract closeout effort; enhancements to other payment systems to upload interest payment data to The Stanfins Redesign-1 (SRD-1) a disbursing system; and the automation of interest penalty and supplemental interest payments; plus enhancements to create a paperless financial contract closeout process that is dependable and round-trip that interfaces with our process partners, Defense Contract Management Agency (DCMA) and will facilitate the closeout of contracts in MOCAS; b) Mainframe: Requirements for enhancements/changes to the MOCAS Main Frame as needed due to the DPPS deployment schedule changes.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2003 Budget Estimates					
B. Component/ Activity/ Date: Defense Finance and Accounting Service February 2002			C. Line No. & Item Description: Software Dev/Mod - Military Sealift Command Financial Management System (MSC FMS)				D. Activity Identification DFAS Sites					
Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			4,985			4,800			0			
<p><b>Narrative Justification:</b> MSC FMS is a commercial off-the-shelf (COTS) system. MSC FMS supports general ledger, funds control, budget execution, travel, cost accumulation and asset accounting for Defense Working Capital Fund (DWCF) activities at the installation level in support of the Transportation Business Area. MSC FMS is a financial information management system used by the Military Sealift Command worldwide to include MSC Headquarters and the Area Commands located in Norfolk, Virginia; San Diego, California; Naples Italy; and Yokohama, Japan. The DFAS Omaha Field Organization and Denver sites also use MSC FMS for accounting support for these worldwide activities. MSC FMS provides: (1) a relational database system that provides easy access to on-line, real-time financial information; (2) financial data for DWCF activities under general ledger control, complies with GAO and OMB mandates, and uses the U.S. Government Standard Ledger Chart of Accounts, as augmented by the Department of Defense; and (3) the capability to comply with the Government Performance and Results Act (GPRA), the Paperwork Reduction Act (PRA), and the Chief Financial Officer Act (CFOA). Beginning in FY 2001, the Army Transportation Component, the Military Traffic Management Command (MTMC), started to migrate from the MTMC Financial Management Systems into a Oracle COTS, with scheduled completion in FY 2002.</p>												

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**D. Line No. & Item Description:** Software Dev/Mod -  
Headquarters Accounting and Reporting System  
(HQARS)/Operational Data Storage (ODS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			850			250			1,900			

**Narrative Justification:**

Headquarters Accounting and Reporting System (HQARS)/Operational Data Storage (ODS) is a module of the Oracle relational database storing entitlement transactions (request for payment), payment information and accounting information related to those payments and can be queried by many different reportwriter software tools. The FY 2002 and FY 2003 funds will provide ability to perform research, analysis, design, documentation and programming associated with new releases that add increased functionality and multiple interfaces. These releases are directly targeted to the following areas/systems: Foreign Military Sales (FMS), Interfund 80/1081), Certification screens, DCPS, DCAS, Pre-validation and Obligation Matrix.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**D. Line No. & Item Description:**  
Software Dev/Mod - Standard Accounting, Budgeting and  
Reporting System (SABRS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			2,882			1,939			2,000			

**Narrative Justification:**

The Standard Accounting, Budgeting and Reporting System (SABRS) has been enhanced to provide full accounting support for all Marine Corps general funds at installation/intermediate command levels and support of departmental level accounting/reporting processes in compliance with Federal Financial Management Requirements (FFMRs).

Additional funding is required in FY2002 and 2003 to support transition of functionality from Marine Unified Material Management System (MUMMS) Subsystem 04 (a legacy DFAS-owned subsystem) to SABRS by FY 2004. MUMMS Subsystem 04 provides inventory accounting and billing support for material and supplies in the Navy Working Capital Fund - Marine Corps Supply Management business area. Transitioning this legacy application to SABRS will resolve numerous legacy system FFMR compliance deficiencies in areas related to general ledger control, inventory and accrual accounting, financial reporting, system documentation, and user information needs. The support of these requirements will do the following: resolve numerous outstanding FFMR compliance deficiencies; corrects the outstanding material weakness reported for the business area; eliminates the last DFAS-KC legacy accounting application (MUMMS Subsystem 04); and provides improved application support for the business area and related customers; better accommodates required interfaces with future DFAS and Marine Corps Corporate initiatives/systems; and enhances technical/configuration management support for the business area.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Standard Materiel Accounting System  
(SMAS)

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			5, 139			6,146			4,132			

**Narrative Justification:**

The Standard Materiel Accounting System (SMAS) is a Defense Working Capital Fund (DWCF) system that performs accounting and financial reporting for the Air Force (AF) Supply Management Business function. This includes AF base supply, hospitals, dental clinics, dining halls, and fuels. SMAS is an on-line, transaction-driven system under general ledger control. SMAS maintains accounting records for fixed assets, inventory, receivables, payables, funds, and management information. Financial reports are prepared and distributed to AF customers. SMAS interfaces with 11 logistics systems, two financial management systems, one acquisition system, and five accounting systems.

FY 2002 capital funding is being used to complete Phase I of the migration of accounting functionality from the Standard Base Supply System (A&F) TO SMAS.

FY 2003 capital funding will be used to complete Phase II migration of accounting functionality from the Standard Base Supply System to SMAS. FY 2003 capital funding will also be used to complete the Funds Control functionality for SMAS. However, FY 2003 capital funding was reduced in anticipation of the deferment of the wholesale/retail accounting merger within SMAS, which was originally anticipated to begin in FY 2003.

ACTIVITY CAPITAL INVESTMENT JUSTIFICATION (\$ In Thousands)							A. FY 2003 Budget Estimates					
B. <u>Component/ Activity/ Date:</u> Defense Finance and Accounting Service February 2002			E. <u>Line No. &amp; Item Description:</u> Software Dev/Mod - Standard Accounting and Reporting System (STARS)				D. <u>Activity Identification</u> DFAS Sites					
Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			3,195			1,388			4,700			

**Narrative Justification:**

STARS is a general fund accounting and reporting system. STARS has been selected as the migratory system to consolidate all Navy general fund accounting and reporting operations. STARS manages approximately 3/4 of a trillion dollars in current and prior year funds for the Navy. STARS is composed of three major sub-systems: 1) STARS-FL (Field Level Accounting), 2) STARS-HQ (Headquarters Accounting and Reporting for Funds Administrators, Major Commands and Systems Commands or equivalents), and 3) STARS-Funds Distribution and Departmental Reporting (STARS-FDR).

FY 2002 capital funding provides for the following STARS projects: Table Validation Audit Trail, STARS Collection/Expenditure Reconciliation Tool (NAVCOMPT 2036), Working Capital Funds to General Fund Activities (i.e. Seal Beach/NAVESC) to STARS, streamlined cash expenditure reporting process, Powertrack, Federal Employees Health Benefit (FEHB), and data accumulation to perform Elimination Entries/Closing Entries – amendment 1, Post-implementation support and various mandatory and customer-driven efforts would also be addressed in FY 2002.

FY 2003 capital funding provides for the following: centralized scheduling, Smart Card Transport Platform from Public Key Infrastructure (PKI), IPT – Business Practice Change – Fleet Reengineering Changes, Unmatched Disbursements – Clean up of Travel Printing and Training, Automated Obligations of UMDs, Standard Accounting & Budgeting Reporting System (SABRS) conversion, and STARS Collection/Expenditure Reconciliation Tool (NAVCOMPT 2036) Phase III, automated authorization creation/update.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Other Accounting (DWCF) Systems

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
CCSS			500			0			0			
ASIFICS			200			0			0			
SIFS			500						0			
Total			1200			0			0			

**Narrative Justification:**

The above Defense Working Capital Fund systems had funded budgets of less than \$1 million in FY 2001 to support a large array of accounting functions. Commodity Command Standard System (CCSS) is a standard accounting system, which will be replaced by the Army Logistics Modernization Program. The remaining systems are legacy systems, which include the Airlift Service Industrial Fund Integrated Computer System (ASIFICS), and Standard Industrial Fund System (SIFS). No investment dollars for enhancement will be required in FY 2002 and FY 2003.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Other Accounting (General Fund)  
Systems

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
PBAS-FD			0			470			500			
PBAS-OC			0			0			300			
SAARS/SCRT			305			0			1,000			
DIFS			161			0			0			
CFASS			104			0			0			
<b>Total</b>			<b>570</b>			<b>470</b>			<b>1,800</b>			

**Narrative Justification:**

The Program and Budget Accounting System (PBAS) Program, Funds and Order Distribution (FD) is the only standard system, that records the receipt and distribution of financial resources appropriated for and/or administered by the Departments of the Army, Navy, and Defense. The Security Assistance Automated Reconciliation System provides for reconciliation of contract and accounting records to minimize negative unliquidated obligations and prepares for the conversion to the migratory accounting and vendor/contract pay systems.

The FY 2002 funding for PBAS-FD has been allocated to maintain functionality, accommodate mandatory legislative changes, and facilitate the generation of auditable financial statements. Elimination of the manual pull of expenditure authority (EA) necessitated system changes to allow automated EA processing due to the implementation of Defense Procurement Pay System (DPPS). Phase 1 of this effort, which implemented partial automated EA, was funded in the FY 2001 budget. Phase 2 will implement in FY 2002, the automated EA for all other DFAS Indianapolis network disbursing offices, except those at DFAS Columbus; and, Phase 3 will implement automated EA for the DFAS Columbus disbursing offices in FY 2003. The Program and Budget Accounting System (PBAS) Order Control (OC) will provide elimination of manual pulls of EA, and implement automated EA processing which would prevent potential over disbursements of our foreign customer's funds.

The Security Assistance Automated Reconciliation System (SAARS)/Standard Contract Reconciliation Tool (SCRT) is a comprehensive system that automates and streamlines the contract reconciliation process. SCRT is a Windows application with user-friendly screens for accessing and updating information. The SCRT database is designed to accept and format data from external organizations and provides a central point of communication that facilitates the team reconciliation process and eliminates duplicate efforts. The funds in FY 2003 will be used to merge the functionality of Cash Reconciliation System (CRS) into SCRT. The major functions include audits, accounts receivables, disbursing, balancing, cancelled funds and financial reporting.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

A. FY 2003 Budget Estimates

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod – Other Administrative Support Systems

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Security			0			1,602			2,670			
DOD/FMMP			0			5,000			0			
LDRPS			208			819			1,200			
Others			1,613			1,884			1,888			
Total			1,821			9,305			5,758			

**Narrative Justification:**

Administrative support systems provide office automation and standardized business practices to DFAS Headquarters and sites. Initiatives include the following: Credit Card 1099 Miscellaneous Reporting System (1099 provides payment data to the Internal Revenue Service; Configuration Management Information System (CMIS) provides the capability to track and manage systems change requests; Security assists in creating an environment which is more secure from attacks and permits intrusion detection; The FY 2002 Financial Management Program Management Office (FM PMO) funds support the DOD effort to develop an enterprise architecture; and Living Disaster Recovery Planning System (LDRPS) allows the linkage of all DFAS sites into a contingency plan network. The rest of the funds in FY 2002 and FY 2003 will be used to do the following: maintain and enhance functionality in the Enterprise Local Area Network (ELAN) to ensure quality customer support; maintain an updated inventory of DFAS systems' specifications and functionality, and improve DFAS performance metric monitory system.

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$In Thousands)

**A. FY 2003 Budget Estimates**

**B. Component/ Activity/Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Software Dev/Mod - Other Finance Systems

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
DDMS			523			709			760			
NAFCPS			240			381			424			
VPIS			300			0			200			
Total			1,063			1,090			1,384			

**Narrative Justification:**

The Defense Debt Management System (DDMS) standardizes and consolidates out-of-service debt cases for service members. The Nonappropriated Fund Payroll System (NAFCPS) handles civilian pay functions for NAF activities. FY2002 and FY 2003 capital funding is requested for mandatory changes and essential enhancements to these systems.

The Vendor Pay Inquiry System (VPIS) is being redeveloped to accommodate changes in the way vendor/contractor invoices will be tracked, processed and paid with the conversion of legacy payment systems to DPPS. The new Web-based customer interface display must allow the end user to view and understand both line item based efforts (DPPS) and the traditional invoice based actions currently used by the legacy systems within a single retrieval framework.

**Defense Finance and Accounting Service  
Budget Activity: Financial Operations  
FY 2003 Budget Estimates**

**Realignments to the FY 2002 President's Budget  
DFAS Capital Budget**

Dollars in Thousands			
FY 2002			
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
<b>Equipment - ADPE &amp; Telecommunications</b>	12,997	8,295	-4,702

Overall, the decrease was driven by a decline in equipment to support the DFAS Corporate Infrastructure. Further review indicated that related office automation requirements did not meet capital criteria. The decrease was offset by procurement of the Private Branch Exchange (PBX) which will replace and improve the telephone and data exchange capability of the entire DFAS Cleveland site. Funding for the Defense Civilian Pay System, DFAS Enterprise Local Area Network (ELAN) and other requirements remained constant.

Dollars in Thousands			
FY 2002			
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
<b>Minor Construction</b>	1,828	2,128	300

The increase for Minor Construction Program was a fire hydrant renovation project required by the local community to maintain adequate fire protection for the DFAS Denver facility.

**Software Development/Modernization**

**1. Defense Working Capital Fund Accounting Systems Migration Strategy**

Dollars in Thousands			
FY 2002			
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Automated Time, Attendance and Production System	752	1,764	1,012
Defense Industrial Financial Management System	9,833	12,433	2,600
Standard Industrial Fund System	998	0	-998
Material Financial Control System (PX02, PX04, PX06)	3,000	1,260	-1,740
Standard Material Accounting System	2,466	6,146	3,680
Defense Working Capital Accounting System	2,500	5,810	3,310
Defense Fuels Automated Management System	500	0	-500
Columbus Working Capital Fund/Business Mgmt Redesign	2,733	2,733	0
Commodity Command Standard System	498	0	-498
Military Sealift Command Financial Management System	<u>4,500</u>	<u>4,800</u>	<u>300</u>
Changes - DWCF Accounting Systems	27,780	34,946	7,166

The changes are results of DFAS refining deployment costs for migratory systems, fully addressing the migration acquisition requirements and evaluating the future capital needs for legacy systems. The Columbus Working Capital Fund/Business Management Redesign will support the integration and deployment requirements which will replace the DFAS portion of Defense Business Management System. The Air Force deployment requirements for Defense Industrial Financial Management System (DIFMS) have increased based of the customer's requirement/schedule for site implementation and support. The Air Force supports this increase funding level for DIFMS. The deployment solution for Defense Working Capital Accounting System (DWAS) has been revised based on the Navy and DFAS requirements. The Navy fully supports increases in funding to provide the revised deployment schedule for the remaining sites. Automated Time, Attendance and Production System includes the new requirement to enhance overseas payroll and accounting solutions for the Air Force. There are different applications supporting Korea and Europe and the Air Force wants to pursue only one solution. Standard Material Accounting System (SMAS) deployment and replacement of the accounting portion of the Standard Base Supply System (SBSS) is scheduled for FY 2002. Additional funds are required to ensure that as the Air Force is completing its replacement solution, DFAS and Air Force can achieve a joint deployment strategy. The legacy systems were individually evaluated and the proposed requirement did not meet the capital criteria. These legacy systems will use central design activity (CDA) maintenance funding to support only high priority maintenance changes until replaced by the standard systems. In addition, an increase to Military Sealift Command's Financial Management System (MSC-FMS) was provided in order to transition the Military Traffic Management Command's Financial Management System (MTMC-FMS) into the overall U.S. Transportation Command solution.

## 2. General Accounting Fund Systems Migration Strategy

	Dollars in Thousands		
	FY 2002		
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Defense Integrated Financial System - Reengineered	233	3,073	2,840
General Accounting and Finance System - Reengineered	6,362	8,362	2,000
Defense Joint Accounting System	27,825	3,825	-24,000
Standard Accounting and Reporting System	2,994	1,388	-1,606
Standard Accounting Budgeting and Reporting System	2,429	1,939	-490
Program and Budget Accounting System - Program, Funds and Order Distribution System	470	470	0
Defense Cash Accountability System	4,000	8,800	4,800
Defense Departmental Reporting System	5,831	4,981	-850
Central Finance and Accounting Support System	<u>100</u>	<u>0</u>	<u>-100</u>
Changes - General Accounting Fund Systems	50,244	32,838	-17,406

The increase for General Accounting and Finance System – Reengineered (GAFS-R) supports the Air Force need for a standard accounting system. The increase supports a combined effort to expedite the system development by DFAS and Air Force design activities. A review of Standard Accounting and Reporting System (STARS) requirements indicated part of the requirement was of lower priority and could be deferred. Defense Joint Accounting System (DJAS) will maintain its current level of deployment and operations in a maintenance mode in

FY 2002 and FY 2003. This results in a significant decline in needed DJAS resources. Defense Integrated Financial System – Reengineered (DIFS-R) funding increases as appropriate functionality for Defense Security Cooperation Agency’s Training module of the Defense Security Assistance Management System (DSAMS) is developed. The Defense Cash Accountability System (DCAS) funding increase will support the completion of DCAS’s design and development and perform testing/implementation of Phase II Treasury Reporting. The General Accounting legacy systems were evaluated and the proposed requirements did not meet the capital criteria. These legacy systems will use central design activity (CDA) maintenance funding to accomplish only high priority maintenance changes until replaced by the standards systems.

### 3. Administrative Systems Migration Strategy

	Dollars in Thousands		
	FY 2002		
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Financial Management Modernization Program	5,000	5,000	0
Electronic Document Management (EDM) Program	0	425	425
DFAS Corporate Database	11,667	17,710	6,043
DFAS Corporate Warehouse	7,211	7,211	0
Electronic Commerce/Electronic Data Interchange	447	0	-447
Garnishment System	600	600	0
Security	650	1,602	952
Other Administrative Systems	<u>3,982</u>	<u>2,578</u>	<u>-1404</u>
Changes - Administrative Systems	29,557	35,126	5,569

The DFAS Corporate Database (DCD) increases will support additional system interface development with several key migratory systems and DFAS infrastructure requirements. Also, DCD funding includes application and interface development for planned infrastructure release requirements and Defense Integrated Military Human Resource System – DPM integration efforts. Increases for Electronic Commerce/Electronic Data Interchange (EC/EDI) support the modification for new and revised standard ANSI X-12 EDI transactions and Wide Area Work Flow development and implementation that support of the overall Procurement End-to-End solution. Funding for the Financial Management Modernization Office will support the Department of Defense (DoD) enterprise architecture. The security increases are related to improvement to the DFAS Corporate Infrastructure where latest technology in network scanning software, packet sniffers, buffer overflows and other intrusion detection and monitoring software will be installed to achieve optimum protection and surveillance of DFAS data and systems. Also, the other Administrative Systems category supports updates and enhancements for contingency planning, local area networks and enhanced performance metrics. The decline is driven by the completion of system requirements for fraud detection efforts and the DFAS internal unit cost system.

### 4. Disbursing Systems Migration Strategy

	Dollars in Thousands		
	FY 2002		
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Defense Standard Disbursing System	4,532	6,155	1,623
Deployable Disbursing System (DDS/UMIDS)	<u>1,504</u>	<u>5,400</u>	<u>3,896</u>
Changes - Disbursing Systems	6,036	11,555	5,519

This increase to Deployable Disbursing System (DDS/UMIDS) supports the accelerated development and deployment schedule to satisfy the Army requirements. This accelerated schedule will provide deployment of DDS for Army activities not covered by a current mobile disbursing system. Defense Standard Disbursing System (DSDS) increases are required to complete operational and compliancy testing, security accreditation and increased user training needs.

#### 5. Military Pay Systems Migration Strategy

	Dollars in Thousands		
	FY 2002		
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Defense Joint Military Pay System - Active and Reserve Component	14,998	14,378	-620
Marine Corps Total Force System	4,311	5,312	1,001
Employee/Member Self Service System	<u>0</u>	1,716	1,716
Defense Integrated Military Human Resources System	<u>17,317</u>	<u>17,317</u>	<u>0</u>
Changes - Military Pay Systems	36,626	38,723	2,097

The Defense Joint Military Pay Systems reflects the requirements to enhance the current application to meet the Military Services' priorities and fully document the system to allow expedited system changes pending deployment of DIMHRS. The decrease reflects requirement refinement. The additional funds for the Marine Corps Total Force System will complete 2 major system update releases implementing legislative requirements such as Enlisted BAS Reform, Long Term Health Care, and additional Thrift Savings Plan requirements. Employee/Member Self Service System (EMSS) funding supports customer on-line enhancements such as Smart Leave and Earning Statements (LES), Master PIN Database, Thrift Saving Plan, pay allotments, saving bonds and pay statements for retired and annuitant members.

#### 6. Others Systems Migration Strategy

	Dollars in Thousands		
	FY 2002		
	<u>Pres Bud</u>	<u>Revised</u>	<u>Delta</u>
Defense Debt Management System	759	709	-50
Nonappropriated Funds Civilian Payroll System	381	381	0
Defense Civilian Pay System	7,428	7300	-128
Defense Procurement Payment System	10,144	12,827	2,683
Defense Retired and Annuitant Pay System	2,184	1,524	-660
Mechanization of Contract Administration Services	0	1,200	1,200
Headquarters Accounting and Reporting System/ODS	<u>0</u>	<u>250</u>	<u>250</u>
Changes - Other Systems	20,896	24,191	3,295

The Defense Procurement Payment System (DPPS) increase reflects changes in the levels of user testing, implementation and training that are required to complete development and initiate deployment of DPPS. These funds also ensure accomplishment of financial compliancy certification requirements. The increase to Mechanization of Contract Administration Services mid-tier applications supports the reconciliation enhancements to minimize negative unliquidated obligations (NULO) and unmatched disbursements (UMD) plus maintain data integrity for the conversion to DPPS. These changes are required pending DPPS deployment to ensure accurate payments. Funding for the Headquarters Accounting and Reporting System/Operational Data Store will support new interfaces to allow reconciliation of accounting and finance system. The funding decline for The Defense Retired and Annuitant Pay system reflects the deferral data of lower priority requirements.

**Activity Capital Investment Summary**  
**Component: Defense Finance and Accounting Service**  
**Activity: Information Services**  
**Date: February 2002**  
**(\$ in Millions)**

Line Number	Item Description	FY 2001		FY 2002		FY 2003	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	<b>Equipment &gt;\$100,000</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>
	- Replacement						
	- Productivity						
	- New Mission						
	<b>Automated Data Processing Equipment &gt;\$100,000</b>		<b>2.6</b>		<b>1.3</b>		<b>0.8</b>
	- Hardware & Software		<b>2.6</b>		<b>1.3</b>		<b>0.8</b>
	- Telecommunications						
	- Other						
	<b>Minor Constuction &gt;\$100,000 to &lt;\$500,000</b>						
	<b>Software Development &gt;100&lt;000</b>						
	<b>TOTAL</b>		<b>2.6</b>		<b>1.3</b>		<b>0.8</b>

Exhibit Fund-9a DWCF Activity Capital Investment Summary

**ACTIVITY CAPITAL INVESTMENT JUSTIFICATION**  
(\$ In Thousands)

**A. FY2003 Budget Estimates**

**B. Component/ Activity/ Date:**  
Defense Finance and Accounting Service  
February 2002

**C. Line No. & Item Description:**  
Information Services - Automated Data Processing  
Equipment (ADPE) > \$100,000

**D. Activity Identification**  
DFAS Sites

Element of Cost	FY 01			FY 02			FY 03			Quantity	Unit Cost	Total Cost
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost			
Total			2,592			1,251			750			

**Narrative Justification:**

Capital funding for the Information Services business area will provide essential equipment to support their design/management mission. Examples of equipment to be procured in FY 2002 and FY 2003 include software products and tools in support of the Information Services Mission. Specifically included in the budget request is funding for mid-tier platform upgrades, DFAS Corporate Information Infrastructure Support (DCII) and developer tools.

Defense Finance and Accounting Service  
Budget Activity: Information Services  
FY2003 Budget Estimates

Realignments to the FY 2002 President's Budget  
DFAS Capital Budget

	Dollars in Thousands		
	FY 2002		
	<u>Pres Bud</u>	<u>Revised</u>	<b>Delta</b>
<u>Equipment - ADPE &amp; Telecommunications</u>	1,251	1,251	0

There was no change in the Information Services Capital Budget.